



**BOARD OF LIVESTOCK
CONFERENCE CALL - MINUTES
FRIDAY JULY 18, 2014
Helena, MT 59601**

*Agenda times may vary as much as one hour-earlier or later.
Items may be added or deleted up to 48 hours prior to the meeting.
Look for changes at www.liv.mt.gov.*

Friday July 18, 2014

Roll Call:

Board Members:

Jan French, Chair
Linda Nielsen
Jeff Lewis
John Scully
John Lehfeldt
Ed Waldner joined the call at 10:15 am

Absent:

Brett DeBruycker

Public:

Errol Rice, Montana Stockgrowers Association
Chelcie Cramer, Montana Farm Bureau Federation
Shorty Hofer, Mid Lake Colony
Ann Miller, Montana Pork Producers Association
Gene Curry, Montana Stockgrowers Association
Haley Shipp, Northern Ag Network
Dave McEwen, Montana Woolgrowers Association

10:05 a.m.

Call to Order

Action Item:

1. Covering required deferred revenue in the Brands Enforcement fund

Christian Mackay began the meeting with an overview of department deferred revenue issue:

- the meeting was called with the intention of declaring an emergency for the board to authorize the use of brand rerecord funds to cover the deferred revenue.
- information provided by Central Accounting indicated that such a move would not clear the issue because rerecord funds are included in the deferred funds
- the intent is use Per Capita to fund the deferral issue and the department has the money
- therefore, there is no need for board emergency action and this conference call is just informational.



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George Harris provided background:

- need \$153,483 to clear up the deferral which includes funds from rerecord (deferred over 10 years), new brands and transfers (to the next rerecord year), and mortgage renewals (5 years)
- the Governor's budget office said yes the department can cover the deficit with a transfer of per capita from brands cash

Christian Mackay noted yes the movement of funds will clear that up, but will pinch 2015 with shortened per capita fee.

2. Moving from deferred revenue issue to Veterinary Diagnostic Laboratory expenditures:

George Harris explained:

- with 100% of the budget year(2014) lapsed the lab is 100 expended in general fund, 135% expended in per capita fee and 100% expended in lab fees.
- as of July 17, 2014 VDL is 113% expended (\$236,302)
- basically had to transfer authority from every division to meet operational expenses
- this has caused a serious drain on the per capita fee cash and may require the department to negatively expend per capita cash likely in September or October 2014 until per capita fee revenue is realized in November, December, and January
- The Department of Administration Accounting Division has documented that negative expending of authority is authorized in 17-2-107, MCA as long as we have positive cash in total within all our state special revenue funds by fiscal year end
- a supplemental is not feasible for FY2014
- additional authority was transferred and per capita fee cash will be expended to get the lab out of FY 2014
- the department will not be able to over expend the lab per capita budget in FY2015 and continue to operate the Department.

The board discussed:

- the situation at the lab and possible solutions including more general fund as compensation for lab tests done for the public health, and fee adjustment. It was noted that the more tests done at the lab the more cost for supplies to do the testing.
- per capita fee and auditor interpretation of setting the fee and requested an analysis using just per capita and one with all revenue for the next board meeting so the board can make an informed decision on setting the new per capita fee
- board members propose to discuss the following issues at the July j29 board meeting:
 - where are going to go



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- keep ag organizations involved
- lab spent a lot on expenses how do other labs deal with it (FWP)?
- merger rumors
- structure change
- more general funding

Public Comment:

Errol Rice, Montana Stockgrowers Association, map out strategy for the 2015 legislature

10:55 a.m.

Adjournment

To participate, contact the Department at 444-9431 for the call-in number and login.